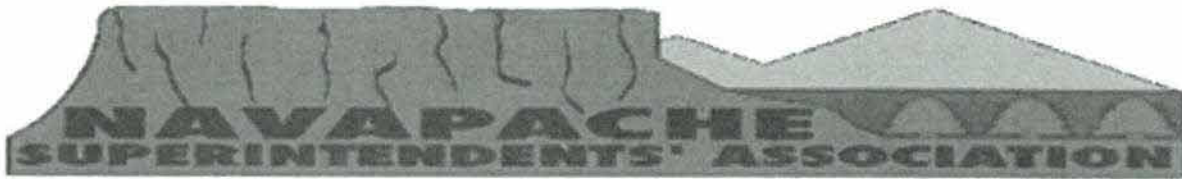


DOCKET NO.: E-01345A-22-0144



Chairman O'Connor and Commissioners,

We are writing in support of Joseph City Unified School District (JCUSD)'s intervention request in the Arizona Public Service (APS) Company rate case for transitional funding assistance to negate negative effects of closure of the Cholla Power Plant in 2025.

As School District Superintendents, we are stewards and leaders for the education and welfare of students attending preschool through 12th grades in Arizona public schools. An on-going issue is ensuring adequate funding to support the educational needs of students to prepare them for success in life.

Our districts and others are expected to be drastically affected with the closure of the coal plants currently operating in Apache and Navajo Counties. In addition to the Cholla Plant in Navajo County, Apache County's Coronado Plant is planned for closure in 2032 and Springerville is expected to close in the next decade. As these coal plants are major employers and taxpayers in the region, our districts are dependent on revenues generated by these utility power plants. As documented in the April 2023 JCUSD Cholla Power Plant Financial Impact Study performed by True Professionals,¹ the district is expected to need \$20 million over a 10-year period to make up for financial losses resulting from plant closure, including a reduced student population, reduced tax revenue, and an increased inability to pass bonds and overrides (an important financial mechanism to support smaller class sizes, competitive pay, technology, and educational activities).

In addition to the essential service of education of our children, our rural Arizona schools serve as hubs for community and charitable activities. Schools provide a place for meetings, sporting activities, civic clubs and other activities, all of which support a vibrant, healthy community and all of which could be lost if funding is significantly reduced.

We recognize that the case put before the Arizona Corporation Commission by the JCUSD is the first of its kind in Arizona and, as such, sets a possible precedent. We know that the Commission has been considering what type of transition assistance utilities should be obligated to provide to Arizona counties, cities, tribes, and schools for about three years. Neighboring states of Colorado and New Mexico have recognized the need for transition assistance for public entities as coal plants have closed. Both states have prescribed monetary

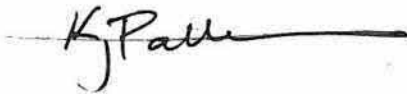
¹ [E000027474.pdf \(azcc.gov\)](#)

compensation to allow communities time to transition to new economies. We recommend the Commission look to our neighbors and provide a similar level of support.

As you deliberate the merits of the proposal for schools in the APS rate case, we urge you to consider the impact of reduced funding on the children in our schools, their families and their future potential should educational services be cut. Apache and Navajo Counties are some of the most economically challenged areas in the state, conditions that will be exacerbated by plant closures. Your decision will set a precedent that will impact the quality of education in northeastern Arizona for years to come and will affect a generation of kids.

Our communities have provided the workers, coal, water, and land that have fueled Arizona's power plants and the state's phenomenal growth for decades. We believe it is fair for utility customers statewide, who have benefitted from low-cost power, to provide the moderate level of transition support being sought by JCUSD.

Respectfully,

A handwritten signature in black ink, appearing to read 'K. Patterson', followed by a horizontal line.

Kyle Patterson, President of the Navapache Superintendent's Association

Member Districts and Superintendents

Hollis Merrell, Snowflake USD

Robbie Koerperich, Holbrook USD

Bryan Fields, Joseph City USD

Matt Weber, NAVIT CTED

Kevin St. John, Show Low USD

Slade Morgan, Round Valley USD

Kim Pearce, Sanders USD

Mike Wright, Blue Ridge USD

Shannon Goodsell, Window Rock USD

Connie Gover, Winslow USD

Shad Housley, Vernon ESD

Kyle Patterson, St. Johns USD
